

**State of California  
Department of Health Services**

**Office of Long Term Care**

**Long Term Care Integration**

**Planning Grant**

**July 1, 2001 through June 30, 2002**

**Request for Applications**

**January 26, 2001**

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## **RFA Time Schedule**

Release of RFA .....	January 26, 2001
Applicants' Conference and Deadline for Written Questions .....	February 13, 2001
Response to Questions/Summary of Applicants' Conference .....	February 23, 2001
Applications due to DHS.....	March 16, 2001
DHS Evaluation of Applications .....	March 16, 2001 through April 27, 2001
Grant Award Announcement .....	April 30, 2001
Execution of Grant Award Agreements.....	July 1, 2001

# Request for Application

## Background

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### Introduction

The Department of Health Services (DHS), Office of Long Term Care (OLTC), is soliciting applications for \$50,000 planning grants to foster the development of Long Term Care Integration (LTCI) pilot projects. LTCI pilot projects will integrate, at the local level, the administration and funding of all medical, social and supportive services for disabled adults and seniors who are Medi-Cal eligible. Selected applicants will be awarded planning grants to assist them in their efforts to design an integrated model of care and develop an appropriate implementation strategy.

DHS will be awarding up to seven planning grants in the 2001/2002 fiscal year (the number of available planning grants may increase depending on the number of Development grants awarded). Each grant will be for a one year period, from July 1 2001 through June 30, 2002.

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### Planning Versus Development Grants

Planning grants may be awarded to Local Organizing Groups (LOGs) conducting initial feasibility analyses to determine whether pursuing a LTCI pilot project is appropriate for their county.

Development grants will only be awarded to LOGs that have developed consensus at the local level on pursuing the full vision of LTCI which includes providing capitated coverage for the full continuum of medical, social, and supportive care, and have received its Board of Supervisors' (BOS) support for this undertaking. (See the Development Grant Request for Application (RFA), Technical Proposal Section: Requirements and Evaluation Criteria, Examples of Goals and Objectives, for a more detailed description of activities appropriate for a development grant.)

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# History

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In 1995, California state legislation was enacted to authorize and implement the LTCI Pilot Program. The Welfare and Institutions (W&I) Code §14139.05 et seq., directed DHS to select pilot sites to participate in LTCI.

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## **Program Goals**

The program's goals include:

- Providing a continuum of medical, social and supportive services that fosters independence and self-reliance, maintains individual dignity, and allows consumers of publicly funded long term care (LTC) services to remain an integral part of their family and community life;
  - Encouraging as much consumer self-direction as possible, given individual capacity and interest, and involving consumers and their family members as partners in developing and implementing the pilot project;
  - Testing a variety of models intended to serve different geographical areas, with differing populations and services available; and
  - Providing a broader mix of coordinated services while remaining cost neutral.
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## **Integration of Long Term Care Services**

The legislation defined the pilot sites as single county, multi-county, or sub-county units. Participating sites will be required to identify a local entity (either a government or not-for-profit agency) that would administer this program through a formal agreement with the State of California.

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## History, Continued

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### Integration of Long Term Care Services (continued)

By integrating<sup>1</sup> the delivery system for medical, social, and supportive services, consolidating the funding for these services, and adopting a capitated payment system, the pilot program seeks to empower sites to:

- Build a system out of the currently fragmented public services available;
- Overcome the built-in cost shifting incentives in the current payment structures; and
- Provide services in the most appropriate setting and cost effective manner.

LTCI is based on a “grassroots up” approach. Interested LOGs, rather than state government, are responsible for designing their proposed system of care. The impetus for LTCI has also been focused on

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<sup>1</sup>Some programs use the terms “integration” and “coordination” interchangeably. However, in the LTCI Pilot Program, these terms have distinct meanings.

Elements of “coordination” include:

- Coordinated points of entry into the LTC system;
- Standardized information and referral system;
- Standardized assessment tool(s) and process(es);
- Care management program available to perform assessments, develop a care plan, monitor services (if necessary) and make adjustments as care needs change.

In an “integrated” care system, all of the coordination elements listed above are included, but additionally:

- Services are blended into a seamless system from the consumers perspective to promote timely and appropriate service utilization, eliminate redundant efforts, and create administrative efficiencies;
- The financing of services is blended into a single pool of dollars at the local level to promote greater cost-effectiveness and eliminate cost shifting between components of the system;
- The financing is capitated rather than fee-for-service. This approach is meant to encourage all providers in the program to work together to support a common set of objectives, priorities, and guidelines and to conserve limited resources;
- There is a unified administrative system (for enrollment, data collection, payments, etc.); and
- There is an overarching quality assurance system--quality assurance requirements are blended together in a complementary manner.

## History, Continued

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**Integration of  
Long Term  
Care Services**  
(continued)

improving the current LTC system rather than reducing LTC expenditures, although the pilots are required to be budget neutral. (See Attachment F, "California Long Term Care Integration Pilot Program", and the DHS/OLTC web site at [www.dhs.ca.gov/director/oltc/index.htm](http://www.dhs.ca.gov/director/oltc/index.htm) for additional information.)

The LTCI authorizing legislation contained no funding for the program's implementation given the general fund deficit at that time. One primary and common barrier sites have encountered in advancing their LTCI planning efforts is the lack of start-up capital for the initial planning and design effort. To bolster LTCI implementation efforts, subsequent legislation, Assembly Bill 2780, was introduced and passed (W&I Code §14145.1 et seq.). This legislation resulted in the appropriation of \$1.15 million dollars, most of which is for LTCI planning and/or development grants to LOGs awarded through an RFA process administered by DHS. The OLTC has awarded sixteen planning grants for the 2000/2001 fiscal year.

Several sites are hard at work on their proposed LTCI activities. Participating sites are still required to develop an overall approach that would lead to full integration of medical, social, and supportive services. They are encouraged to phase-in the implementation in manageable steps.

DHS will work with each participating site to secure the federal waiver/state plan changes required at each particular implementation step. DHS has initiated workgroups to address interdepartmental implementation issues and is providing technical assistance to participating and interested sites.

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# LTCl Planning Grants

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## Overview

This RFA is specific to planning grants, which will be a maximum of fifty thousand dollars (\$50,000) per award. The planning grant program is designed to assist LOGs to advance their LTCl planning efforts.

Grant funds may be used for, but are not limited to:

- Staff support;
- Consulting contracts;
- Community organizing support; and/or
- Data analysis.

Grantees will be required to provide a 20% (\$10,000) match to the grant awarded either in cash or in-kind contributions. This match is supplemental to the grant monies. The anticipated contract performance period will be July 1, 2001 through June 30, 2002.

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## Eligibility Criteria

Organizations eligible to respond to this RFA must be:

- Private, non-profit LOGs or local governments; or
- An existing or new community-based group established for the purpose of applying and carrying out this grant.

**Applicants for the grant awards must be seeking to provide the full continuum of integrated medical, social, and supportive services to its LTCl eligible population on an at risk basis, with evidence of local government support.** Applicants are encouraged to consider phasing in their full-continuum service delivery system.

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## LTCl Planning Grants, Continued

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### Organizations Applying for a Second or Third Planning Grant

Organizations that previously received a LTCl Planning Grant award are eligible to apply for this Planning Grant.

Applicants for a second or third planning grant are required to demonstrate:

- 1) A better understanding of LTCl;
- 2) A higher level of commitment to LTCl based on the goals and activities completed in the prior grant period(s); and
- 3) Their progress towards actual implementation of LTCl.

**Organizations that previously received a grant must complete Element J. “Activities Completed in Prior Planning Grant Period(s)” of the Technical Proposal Section as well as the requested additional information in Elements A through I.**

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### Applications

DHS will accept only one application per county or designated geographical area.

Each applicant is:

- Required to submit a letter of commitment/support from the county BOS with their application; or
- Required to submit a letter of commitment/support from each county BOS with the application, if an application is filed jointly covering more than one county.

The BOS must:

- Only support one application per county or designated geographical area;
  - Certify that the county intends to support and participate in the scope of work proposed in this application; and/or
  - Commit to the required 20% match funds if the applicant is a **county governmental entity**.
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## LTCI Planning Grants, Continued

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**Board of  
Supervisor's  
Requirements**

The letter of commitment/support from the Board of Supervisors (BOS) is to demonstrate that the BOS supports the proposed Scope of Work (SOW) and will commit to the required 20% match. (Commitment to the 20% match funds is required if a county governmental entity is applying for a grant.)

If the letter of support is not submitted in the grant application, the application must include a statement that the LOG is in the process of obtaining the letter of support. Ultimately, the letter of support must be submitted to the Office of Long Term Care (OLTC) by the date of the grant award.

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**Board  
Resolution**

Once a grant is awarded, county entities are required to secure specific authority from their local governing body (e.g., BOS) authorizing execution of the grant agreement. A copy of a resolution (the resolution or other admissible record, e.g., motion, order, etc., is required as part of the formal contracting process) from the local governing body which by law has authority to enter into the proposed contract, authorizing execution of the agreement must be included with the agreement.

A Board Resolution will be accepted as opposed to the letter of support from the BOS if this is obtained by the date of the grant award.

Both the letter of support and the Board Resolution must specifically state the commitment of the BOS to the required 20% match funds for county governmental entities applying and receiving a grant award.

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**Applicants'  
Conference**

An Applicants' Conference will be held at:

Department of Health Services  
744 P Street, Auditorium  
Sacramento, California 95814  
February 13, 2001

10:00 a.m. to 12:00 noon

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## LTCI Planning Grants, Continued

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### RFA Questions

The conference will allow the State to respond to questions that may arise following the applicant's review of this RFA. DHS will make a reasonable effort to provide responses to these questions before the conference's conclusion. A summary of the questions and answers will be sent to all attendees of the conference and all parties that requested the RFA. Questions raised at the conference that cannot be addressed during the discussion will be responded to in the written summary. Oral responses shall not be binding on DHS. Attendance at the Applicants' Conference is not mandatory, but strongly encouraged.

Copies of the RFA ***WILL NOT*** be available at the conference. Attendees should bring their own copy for reference. The cost of travel to the Applicants' Conference is the responsibility of the applicant and will not be reimbursed by the State of California.

Specific questions regarding this RFA may be submitted in writing and **hand delivered** (e.g., Federal Express, etc.) to:

Application Coordinator  
Office of Long Term Care  
Department of Health Services  
**1800 Third Street, Suite 205**  
**Sacramento, CA 95814**

Or **mailed** to:

Application Coordinator  
Office of Long Term Care  
Department of Health Services  
**P.O. Box 942732**  
**Sacramento, CA 94234-7320**

Questions may also be faxed to the OLTC at (916) 322-8619.

**All questions must be received by February 13, 2001 prior to the conference start time (10:00 a.m.).**

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## LTCI Planning Grants, Continued

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<b>RFA Addenda</b>	The DHS reserves the right to amend the RFA. The State will make modifications or provide new information by addenda issued pursuant to this section.
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<b>Application Specifications</b>	<p>Applications for the LTCI pilot project grants must be submitted in accordance with the instructions in this RFA.</p> <ul style="list-style-type: none"><li>• To be deemed responsive, all applicants must adhere to format instructions;</li><li>• Applicants are to submit only the information requested;</li><li>• Administrative and technical requirements must be addressed and all requested information supplied;</li><li>• A technical review of the application will be based only upon the requested information;</li><li>• An application may be rejected if conditional, incomplete, or if it contains any alterations of form or other irregularities of sufficient magnitude or quantity to warrant a finding of being substantially noncompliant;</li><li>• The OLTC may accept or reject any or all applications and may waive any defect it determines to be immaterial in an application; and</li><li>• An OLTC waiver of an immaterial defect shall in no way modify the application requirements or excuse the applicant from full compliance if awarded a grant.</li></ul>
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<b>Application Format</b>	<p>The application must be:</p> <ul style="list-style-type: none"><li>• Typewritten;</li><li>• Double-spaced using 12-point font or larger; and</li><li>• Set up with 1 inch or greater margins on 8-1/2 by 11 inch paper.</li></ul> <p>An original plus three (3) copies of the application must be submitted.</p>
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<b>Contact Person</b>	<p>Each applicant must designate a contact person and a backup contact person that the OLTC can communicate with for the length of the grant application period. <b>The OLTC will limit its contact to the persons identified until a grant is awarded.</b> (It is not required that the contact person and Project Director be the same.)</p>
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## LTCI Planning Grants, Continued

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**Submitting an Application** Applications may be **hand delivered** (e.g., Federal Express, etc.) to:

Application Coordinator  
Office of Long Term Care  
Department of Health Services  
**1800 Third Street, Suite 205**  
**Sacramento, CA 95814**

Or **mailed** to:

Application Coordinator  
Office of Long Term Care  
Department of Health Services  
**P.O. Box 942732**  
**Sacramento, CA 94234-7320**

**Regardless of the postmark or method of delivery, all applications must be received by the OLTC by 4:00 p.m. Pacific Standard Time, March 16, 2001 to be considered for a grant award.**

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# Application Content

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Each submitted application package is required to contain the following information.

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## Application Cover Sheet

The cover sheet (Attachment A) must include:

- Names, mailing address, e-mail address, and telephone and FAX numbers of contact person and backup contact person (**OLTC will limit its contact to these two people during the grant application period**);
  - Project Director's<sup>1</sup> name (may or may not be included as a contact person);
  - Geographic area to be served; and
  - Signature, title, address and telephone number of person authorized to submit the grant application.
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## Table of Contents

The application must have a table of contents with page numbers referenced. Application elements must be presented in the same sequence as displayed in this section.

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<sup>1</sup> The Project Director is the person who is authorized to enter into the agreement with the State and has ultimate responsibility for the grant project.

## Application Content, Continued

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### Technical Proposal Section

Each application must include the required information as outlined in the Technical Proposal Sections A through J. **Organizations that received a planning grant award in a prior fiscal year (1999/2000 or 2000/2001) must also complete element J.**

The Technical Proposal Section covers the following:

- A. Executive Summary
- B. Identification of the LOG
  - Identity of organization applying for the grant
  - Organizational Chart
  - Proof of Non Profit Status (If applicable)
  - Letter of Commitment/Support from the BOS
  - Job Description and/or Duty Statement<sup>2</sup> for the Project Director;
  - Job Description and/or Duty Statement for the Project Manager<sup>3</sup>.
- C. Broad Vision Statement
- D. Current Status
- E. Consumer and Provider Involvement
- F. Overview of the Goals & Objectives
- G. Grant Goals & Objectives
- H. Scope of Work
- I. Overview of Expected Achievements (Timeline)
- J. Activities Completed in Prior Planning Grant Period(s)

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### Budget

The application must have a budget. The budget must include the required information as outlined in the Budget Section. This section covers the following:

- Budget Narrative;
  - 9-Line Item Budget; and
  - Description of Required 20% Match
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<sup>2</sup> Personal resumes of the individuals occupying the project director and manager positions can not be substituted for the job description/duty statement of the positions.

<sup>3</sup> The Project Manager is the person responsible for the day to day activities of the grant project.



## Technical Proposal Section: Requirements and Evaluation Criteria

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**All statements should be consistent with the provisions of the Welfare and Institutions Code §14139.05 et seq.**

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**First, second and third year planning grant applicants must complete:**

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<b>A. EXECUTIVE SUMMARY</b>	
<b>3 Page Maximum</b>	<b>Pass/Fail</b>
Provide a summary description of the proposed project and how it will move toward achieving full continuum at risk LTCI.	

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# Technical Proposal Section: Requirements and Evaluation Criteria, Continued

**First, second and third year planning grant applicants must complete:**

<b>B. IDENTIFICATION OF THE LOG</b>	<b>Pass/Fail</b>
<div data-bbox="410 527 678 562"><b>3 Page Maximum</b></div> <p>Identify the organization (LOG) applying for the planning grant. Describe:</p> <ul style="list-style-type: none"> <li>• The organizational structure of the LOG;</li> <li>• Staff composition as it relates to the LOG;</li> <li>• The role of the advisory committee identified in Element E of this Technical Proposal Section;</li> <li>• The role of the BOS; and</li> <li>• Relationships with relevant local agencies and advisory committees, the BOS, etc.</li> </ul> <p>Include (these items do not count toward the 3-page maximum):</p> <ul style="list-style-type: none"> <li>• An organizational chart of the LOG;</li> <li>• Proof of Non Profit Status (if applicable);</li> <li>• A letter<sup>4</sup> of support or commitment from the county BOS as previously described in the "LTCL Planning Grants – Applications" section. <i>The letter must be a clear statement supporting the activities to be undertaken as a result of the grant funds that may be awarded (the Letter of Support will be accepted up to the date of the Award Announcements); and</i></li> <li>• Job description and/or duty statement specific to the role of the project director and the project manager during the planning stage of the LTCL project.</li> </ul>	

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<sup>4</sup> Once a grant is awarded, county entities are required to secure specific authority from their local governing body (e.g., BOS) authorizing execution of the grant agreement. A copy of a resolution (or other admissible record, e.g., motion, order, etc.) from the local governing body which by law has authority to enter into the proposed contract, authorizing execution of the agreement must be included with the agreement. The resolution shall indicate that the local governing body, in entering into this agreement, commits to the accepted scope of work outlined in the grant agreement.

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

First, second and third year planning grant applicants must complete:

C. BROAD VISION STATEMENT	
3 Page Maximum	
20 Points	
REQUIREMENTS	EVALUATION CRITERIA
<p>Demonstrate an <u>understanding</u> of LTCI. That is, a program that provides capitated full continuum of integrated medical, social, and supportive services to the LTCI-eligible population.</p> <p>DHS recognizes that LOGs may not be able to describe how their local system would meet all the requirements of LTCI.</p> <p>.</p>	<p><b>The statement must demonstrate that the LOG has a clear understanding of consolidation through full continuum LTCI.</b></p> <p>The statement should identify:</p> <ul style="list-style-type: none"> <li>• The target population;</li> <li>• The special needs and characteristics of the target population;</li> <li>• Existing resources for this population;</li> <li>• The vision for a system that will: <ul style="list-style-type: none"> <li>▪ Provide full continuum services (all medical, social and supportive services) on a capitated at-risk basis to the target population;</li> <li>▪ Emphasize home-and community-based services;</li> <li>▪ Provide care in the most appropriate setting and cost effective manner;</li> <li>▪ Consolidate various funding streams;</li> <li>▪ Overcome current cost shifting incentives;</li> <li>▪ Overcome deficiencies and overlaps in the existing system; and</li> <li>▪ Maximize consumer self-direction.</li> </ul> </li> </ul>

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## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

C. BROAD VISION STATEMENT, ( <i>Continued</i> )	
REQUIREMENTS	EVALUATION CRITERIA
	<p>Second and Third year grant applicants must be able to:</p> <ul style="list-style-type: none"> <li>• Refine the target population to be served as based on prior year(s) research and activities;</li> <li>• Explain the rational for selecting this population; and</li> <li>• Demonstrate the LOG's intent to move toward achieving the full continuum at risk LTCL.</li> </ul>

**Second and Third Year Planning Grant Applicants must complete:**

C. BROAD VISION STATEMENT ( <i>continued</i> )	
<b>3 Page Maximum</b>	<b>20 Points</b>
LOGs applying for a second or third planning grant must, in addition to the above requirements, demonstrate how research, and/or other pertinent activities undertaken in the prior planning grant period(s) further the community's commitment to move toward full LTCL.	<p>Second and third year planning grant applicants must:</p> <ul style="list-style-type: none"> <li>• Demonstrate a higher level of understanding of LTCL;</li> <li>• Identify specific research and activities that have furthered the community's commitment to move toward full LTCL;</li> <li>• Describe challenges and barriers identified during the prior planning grant period(s) and how they <b>will</b> be addressed and overcome in order to achieve the full continuum of LTCL.</li> </ul>

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## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

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**Third year planning grant applicants must complete:**

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C. BROAD VISION STATEMENT ( <i>continued</i> )	
3 Page Maximum	30 Points
REQUIREMENTS	EVALUATION CRITERIA
<p>LOGs applying for a third planning grant must also provide an overall description of the full continuum, at-risk pilot project as is currently envisioned<sup>5</sup>, and demonstrate how the research and activities undertaken in the first and second planning grant periods have moved the community towards full LTCl.</p> <p>This vision should include the conceptualized or planned:</p> <ol style="list-style-type: none"> <li>1) governance structure;</li> <li>2) organizational structure; and</li> <li>3) care management.</li> </ol>	<p>Third year planning grant applicants must:</p> <ul style="list-style-type: none"> <li>• Describe the full continuum, at-risk pilot project as currently envisioned based on specific research and activities undertaken in the first and second planning grant periods;</li> <li>• Describe what steps or phases must be completed to lead to the envisioned full continuum LTCl;</li> <li>• Describe challenges and barriers and how they <b>will</b> be addressed and overcome in order to achieve the full continuum of LTCl.</li> </ul>

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<sup>5</sup> It is recognized that the current description for full LTCl may be revised as experience is gained through the planning and development phases.

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

**First, second and third year planning grant applicants must complete:**

D. CURRENT STATUS 5 Page Maximum		30 Points
REQUIREMENTS	EVALUATION CRITERIA	
<p>Identify what resources the LOG has already expended and/or committed to planning for LTCI.</p> <p>Include a list of activities or efforts that the applicant has completed or is in the process of completing (e.g., establishing committees, preliminary studies, reports to the BOS or other entities, contacts made with health plans, providers, etc.)</p> <p>Describe how these activities and resources have furthered the community's commitment to move toward full LTCI.</p>	<p>The scoring of this requirement will be dependent upon the depth of involvement and commitment to full continuum at risk LTCI the LOG has achieved to date. The applicant must document specific and pertinent activities in its efforts thus far.</p> <p>Second and third year planning grant applicants must include the specific activities completed (or in the process of being completed) during the prior planning grant period(s).</p>	

**Second and third year planning grant applicants must complete:**

D. CURRENT STATUS, (continued) 2 Page Maximum		10 Points
REQUIREMENTS	EVALUATION CRITERIA	
<p>Demonstrate how the research and activities undertaken in the first and second planning grant periods have moved the community towards full LTCI.</p>	<p>The scoring of this requirement will be dependent upon the depth of involvement and commitment to LTCI the LOG has achieved to date and the overall commitment of the LOG to the full continuum of integrated medical, social and supportive services to the LTCI eligible population.</p>	

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## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

First, second and third year planning grant applicants must complete:

<b>E. CONSUMER AND PROVIDER INVOLVEMENT</b>	
<b>3 Page Maximum</b>	<b>20 Points</b>
<b>REQUIREMENTS</b>	<b>EVALUATION CRITERIA</b>
Identify members of an active advisory or planning committee or demonstrate that the applicant is in the process of establishing a committee to participate in the planning stage. Be specific.	<p>The active advisory/planning committee members <u>must</u> include:</p> <ul style="list-style-type: none"> <li>• Long term care consumers;</li> <li>• Advocacy groups for consumers;</li> <li>• Representatives of employees who deliver direct long term care services;</li> <li>• Representatives of providers of long term care services; and</li> <li>• Representatives from the medical provider community (e.g., physicians, hospitals, health plans, etc.)</li> </ul>
Describe how the committee will be involved in the planning and decision process.	The applicant must demonstrate how the committee will be involved in the development and decision process.
Describe to whom the committee will report.	Identifies a logical entity to which the committee will report.

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## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

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**Second and third year planning grant applicants must complete:**

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<b>E. CONSUMER AND PROVIDER INVOLVEMENT (<i>continued</i>)</b> <b>3 Page Maximum</b> <span style="float: right;"><b>20 Points</b></span>	
<b>REQUIREMENTS</b>	<b>EVALUATION CRITERIA</b>
Describe the committee's involvement to date in the planning and decision making process.	The scoring of this requirement will be dependent upon the demonstrated willingness and commitment of the LOG to work with local community groups, providers and consumers to obtain their input.

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**First, second and third year planning grant applicants must complete:**

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<b>F. OVERVIEW OF THE GOALS &amp; OBJECTIVES</b> <b>3 Page Maximum</b> <span style="float: right;"><b>30 Points</b></span>	
<b>REQUIREMENTS</b>	<b>EVALUATION CRITERIA</b>
Provide a concise overview (narrative) of what the LOG expects to achieve relative to LTCI planning.  <b>The goals and objectives identified are <u>broad and should not be limited</u> to the Scope of Work specified for the grant activity, but encompass the broader planning effort.</b>	The proposed goals and objectives must be consistent with LTCI and advance the future implementation of a full continuum LTCI pilot project in that community.  The response must describe a logical plan that will lead to an achievable and realistic proposed scope of work.

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*Continued on next page*



## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

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**Second and third year planning grant applicants must complete:**

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<b>F. OVERVIEW OF THE GOALS &amp; OBJECTIVES (Continued)</b> <b>3 Page Maximum</b> <span style="float: right;"><b>20 Points</b></span>	
<b>REQUIREMENTS</b>	<b>EVALUATION CRITERIA</b>
Identify prior year goals and demonstrate the logical progression of activities between the prior grant period(s) and the 2001/2002 proposed goals.	The response must demonstrate a logical progression of the activities between the grant period(s) and can reasonably be expected to lead to full continuum at risk LTCI

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### Examples of Goals and Objectives

Following are some **examples** of what a LOG **should** develop in its planning stage to progress to the development stage:

- An active advisory or planning committee that is make up of consumers, providers, advocacy groups, etc;
- A continuing planning process that demonstrates the willingness and commitment of the LOG to work with local community groups, providers and consumers to obtain input throughout the planning and development phases, into implementation;
- A description of the planned target population and the geographic area to be served;
- A description of the services and programs to be integrated at the local level;
- A plan for the integration of funding sources for those services;
- A description of the anticipated fiscal soundness and capability of this plan;
- A description of how consumer services needs will be addressed;
- A description of the planned LTCI service delivery system;
- A provider network and its characteristics;
- Relationships with a health plan (if applicable) for primary and acute care services;

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*Continued on next page*

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

### Examples of Goals and Objectives (continued)

- Determination of a local LTCI agency;
- Proposed governance structure, the entities that would comprise it, its roles and responsibilities and its administrative structures and functions;
- A description of a care management plan;
- A description of quality assurance and accountability practices;
- A description of how the proposed LTCI program will be administered so as to facilitate the integration of services; and
- A plan for a management information system that will be able to respond to reporting requirements to be determined by the State.

**First, second and third year planning grant applicants must complete:**

<b>G. GRANT GOALS &amp; OBJECTIVES</b>	
<b>No Page Limit</b>	<b>30 Points</b>
<b>REQUIREMENTS</b>	<b>EVALUATION CRITERIA</b>
<p>List the specific goals and objectives to be achieved by the LOG relative to LTCI planning during the grant period.</p> <p>Use Exhibit B, Overall Goals &amp; Objectives for the <b>required format</b>.</p> <p><b>Note:</b> Applicants may opt to focus their grant activities on a limited selection of goals and objectives that will advance only one area of its broader planning effort.</p>	<p>The proposed goals and objectives must be consistent with LTCI and advance the future implementation of a full continuum LTCI pilot project in that community.</p> <p>The goals and objectives must be supported by the key activities as described in Element H, Scope of Work.</p>

*Continued on next page*

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

**First, second and third year planning grant applicants must complete:**

H. SCOPE OF WORK		30 Points
No Page Limit		
REQUIREMENTS	EVALUATION CRITERIA	
List the specific goals and objectives to be achieved through this grant. (Refer to Exhibit BB, <u>Scope of Work</u> , for the <b>required format</b> ).	The scope of work must clearly describe the key activities of the specific goals and objectives to be achieved during the planning grant period.	
List specific activities to be completed through this grant.		
Describe key activities that the LOG will undertake and how they will be sequenced to accomplish each of the goals and objectives identified in this element.	The key activities must lead to an achievable and realistic proposed scope of work to develop the full continuum LTCI pilot project.	
Detail expected measurable performance outcomes for each of the activities.	The proposed measurable performance outcomes are realistic and achievable.	
Describe the methods of evaluating key activities and measurable outcomes.		
The approved SOW will become a part of the grant agreement document. The State reserves the right to negotiate with the successful applicant any modification deemed necessary by the State to best achieve the program goals and objectives.		

*Continued on next page*

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

First, second and third year planning grant applicants must complete:

I. OVERVIEW OF EXPECTED ACHIEVEMENTS (TIMELINE)	
No Page Limit	Pass/Fail
REQUIREMENTS	EVALUATION CRITERIA
<p>Develop a timeline that represents the key activities described in the prior element of this application.</p> <p>All activities must be completed in the grant period – (July 1, 2001 through June 30, 2002).</p>	<p>The timeline depicts a viable timeframe to complete the key activities that will lead to achieving the goals and objectives of the planning grant.</p> <p><b>Include the required progress and final reports as described in the Reporting Requirements Section.</b></p>
<p>The “Overview of Expected Achievements” will become a part of the grant agreement document. The State reserves the right to negotiate with the successful applicant any timeframe modification deemed necessary by the State to best achieve the program goals.</p>	

*Continued on next page*

## Technical Proposal Section: Requirements and Evaluation Criteria, Continued

Second and third year planning grant applicants must complete:

<b>J. ACTIVITIES COMPLETED IN PRIOR PLANNING GRANT PERIOD(S) <i>(This element is only for entities that received a Planning Grant in Fiscal Year 1999/2000 or 2000/2001)</i></b> <b>5 page maximum</b> <span style="float: right;"><b>30 Points</b></span>	
<b>Requirements</b>	<b>Evaluation Criteria</b>
Specify activities completed in the prior planning grant period(s).	This element should describe a logical progression from activities achieved in the prior grant period(s) to future implementation of a full continuum at risk LTCI program.
Explain what has been learned from each activity and how this will lead to the full continuum of LTCI.	
Specify any challenges or barriers encountered during the prior grant period and how they were or will be addressed.	The response must demonstrate the LOGs commitment to the full continuum of at risk LTCI and the progress made by the LOG to achieve this goal.
Identify activities still outstanding and what expectations the LOG has in completing these activities.	Applicants are required to demonstrate the logical progressions of activities through each planning period.
Explain how these activities will lead to a commitment to full LTCI by both the LOG and BOS.	The activities achieved must be consistent with LTCI.

# Budget

As a required component of the grant application, applicants must complete a budget narrative, 9-line item budget, and description of 20% match requirement.

Budget Narrative	
2 Page Maximum	Pass/Fail
REQUIREMENTS	EVALUATION CRITERIA
Explain how the proposed budget will be used to achieve the stated scope of work.	Response must describe a logical plan for expending grant funds plus the required match.  The narrative must enable reviewers to logically link the proposed budget to the described scope of work.

9-LINE ITEM BUDGET	
All applicants must submit a 9-line item budget (Exhibit C and CC) that includes all costs associated with the successful completion of the proposed scope of work.  <b>Out of state travel will not be authorized.</b>  <b>Expenses for food is a prohibited expense unless due to travel.</b>	The budget must be realistic and cost-effective. DHS will review the proposed budget to determine its appropriateness to the proposed grant timeline and the LTCl project.

Budget guidelines are included in Attachment C. The sample budget shows the format in which costs associated with the program must be identified. Not all prospective grantees will use all line items.

*Continued on next page*

## Budget, Continued

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Grantees are required to provide invoices for any and all items and/or services listed in their approved budget. In addition, grantees are required to complete a monthly expenditure report of all expenditures for each month for the duration of the grant period. The monthly expenditure reports will be submitted to DHS as part of each progress report (i.e., the monthly expenditure reports completed in the first half of the grant period will be submitted with the first progress report and the remaining expenditure reports will be submitted with the final report. Refer to the section on Reporting Requirements).

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The 9-line item budget and narrative will become a part of the grant award document. The State reserves the right to negotiate with the successful applicant any redistribution of costs within the budget deemed necessary by the State to best achieve the program goals.

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### **Description of 20% Match Requirement**

As a condition of receiving grant funds, grantees will be required to provide a 20% (\$10,000) match to the grant awarded either in cash or in-kind contributions. The proposed match must be available and utilized during the grant period for which it was committed. Failure to meet this requirement may result in a reduction or withholding of grant payments until the match requirement is met.

The application must include a description of how the applicant will meet the 20% matching requirement. Grantees who dedicate existing staff resources to meet this match may only do so to the extent that these staff costs are not already covered by federal matching funds through Medi-Cal County Administration or Medi-Cal Administrative Activities or any other federal or state funding.

Items which may be considered as acceptable in-kind services include:

- Rent;
- Equipment;
- Donations of funds or supplies from private sources; and/or
- Private foundation grants or funds.

Specifically excluded is the use of volunteer staff.

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## Reporting Requirements

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The grantee will be required to submit one progress report half way through the grant period and a final report at the end of the planning grant period.

Both reports shall include a budget narrative and 9-line item budget of expenditures to date (including the monthly expenditure reports and invoices) documenting that the grant conditions have been met. The first progress report is due halfway through the grant period.

The final report, due at the end of the planning grant period, shall include a executive summary and a comprehensive description of what has been accomplished to date and what the LOG plans as the next step for LTCI implementation.

If the LOG has determined to proceed with development of LTCI, the final report shall demonstrate that the applicant has developed a scope of work that follows a logical progression to achieve full LTCI.

If the LOG has determined to not proceed with development of LTCI, the final report shall discuss the reasons for its decision and choices.

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## Payment Provisions

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The total approved budget amount for the planning grant is \$50,000.

In consideration of services provided by the Grantee as described in the Scope of Work, if there is evidence that grant conditions have been fully and satisfactorily performed in a manner acceptable to the State, the State shall reimburse the Grantee in arrears for actual allowable costs incurred in the performance of the grant activities up to the \$50,000 award. Payments will be authorized upon receipt of quarterly invoices from the Grantee. All costs billed must be in accordance with the approved 9-line item budget.

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# RFA Evaluation Process

## Application Evaluation

All applications meeting the format requirements will be submitted to an evaluation committee to be evaluated and scored. The OLTC reserves the right to request clarifications from the applicants regarding their applications to the extent deemed necessary. The OLTC may, at its sole discretion, waive any immaterial deviation in any application. This waiver will not excuse an applicant from full compliance with the grant terms if a grant is awarded.

Members of the review committee who will independently assign a numeric score for each category described in the Technical Proposal Section will evaluate all applications submitted in response to this RFA. Review committee scores will be averaged to arrive at the overall score for the Technical Proposal Section.

First Time Applicants	Second Time Applicants	Third Time Applicants
<ul style="list-style-type: none"><li>• All pass/fail elements have achieved a “pass”;</li><li>• Meet at least a minimal threshold score of <b>50%</b> of the available points for <b>each</b> element;</li><li>• Achieve a minimum of <b>126 points</b> (70%) out of the 180 points available.</li></ul>	<ul style="list-style-type: none"><li>• All pass/fail elements have achieved a “pass”;</li><li>• Meet at least a minimal threshold score of <b>70%</b> of the available points for <b>each</b> element; and</li><li>• Achieve a minimum of <b>247 points</b> (85%) out of the 290 points possible.</li></ul>	<ul style="list-style-type: none"><li>• All pass/fail elements have achieved a “pass”;</li><li>• Meet at least a minimal threshold score of <b>90%</b> of the available points for <b>each</b> element; and</li><li>• Achieve a minimum of <b>298 points</b> (93%) out of the 320 points possible.</li></ul>

Second and third time applicants are expected to demonstrate a better knowledge and more through understanding of LTCI together with increasing demonstrated commitment to full continuum at risk LTCI while responding to the same elements of first time applicants.

*Continued on next page*

## RFA Evaluation Process, Continued

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**Grantee  
Selection**

Grantees will be selected based on the following and dependent upon available funding:

All applicants must meet the minimal threshold score as outlined in the Application Evaluation Section, as well as achieve the minimum number of points available to be considered for a grant award. Applications receiving the highest percentage of available points will be funded first. Consideration will be given to second and third time applications which have demonstrated their knowledge and understanding of LTCI and their commitment to full continuum at risk LTCI.

Grant award announcements will be made April 30, 2001. Applications requiring negotiations and/or clarification may be awarded at a later date.

Applicants are not eligible to receive both a Planning grant and a Development grant concurrently. All applicants are encouraged to apply for the appropriate grant but may apply for both. Applicants choosing to apply for both must submit separate and complete applications for each RFA. If an applicant is awarded a grant from either the development or the planning RFA, they will be disqualified from the other RFA process. The DHS reserves the right to determine, at its sole discretion, which grant will be awarded to the applicant.

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## Grant Awards

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The Chief of the OLTC will make final award decisions after consideration of the comments and recommendations of the technical review panelists and availability of funds. Successful applicants will receive written notification of the final award decision in April 2001.

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# Appeal Process

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Only LOGs, as defined by this RFA, that submitted an application which is reviewed and not funded may appeal. There is no appeal process for applications that are submitted late, incomplete, or do not meet the format requirements. Grounds for appeal shall be limited to assertions that DHS failed to correctly apply the standards for reviewing and evaluating applications as specified in this RFA.

The applicant must file:

- A full and complete written appeal;
- A list of the issue(s) in dispute, the legal authority or other basis for the protester's position; and
- The remedy sought.

Appeals must be received by 4:00 p.m., fifteen (15) calendar days from the date of the grant award decision by the Chief, OLTC, DHS. Faxes and E-mail are not acceptable.

Letters of appeal are to be mailed to:

Carol Freels, Acting Chief  
Office of Long Term Care  
Department of Health Services  
**P. O. Box 942732**  
**Sacramento, CA 94234-7320**

At her sole discretion, the Chief of the OLTC may hold hearings with the appellants to discuss the appeals, or make a decision based on the written appeal or both. The decision of the Chief of the OLTC shall be the final administrative remedy.

Within ten (10) calendar days of receipt of the written appeal, appellants will be sent either:

- 1) A hearing and final written decision regarding the appeal; or
  - 2) Final written decision regarding the written appeal.
-

## Exhibits

**Long Term Care Integration Pilot Project**  
**Grant Goals & Objectives**

Grant Goals & Objectives

**Long Term Care Integration Pilot Project - Scope of Work**

Goal Number:	Specify:		
<b>KEY ACTIVITIES</b>	<b>DESCRIBE HOW THIS ACTIVITY MEETS AND SUPPORTS THE GOAL/OBJECTIVE</b>	<b>MEASURABLE OUTCOME(S)</b>	<b>METHOD(S) OF EVALUATING KEY ACTIVITIES &amp; MEASURABLE OUTCOME(S)</b>





**Long Term Care Integration  
Pilot Project Planning  
Grant Budget**

<b><u>Line Item</u></b>	<b><u>Total</u></b>
Personnel Costs	\$_____
Fringe Benefits (_____ % of Personnel Costs)	\$_____
Operating Expenses	\$_____
Equipment Expenses	\$_____
Contractor Procures	\$_____
State Procures	\$_____
Travel and Per Diem	\$_____
Subcontracts	
(Identify subcontractor if known)	\$_____
Other Costs	\$_____
Direct Overhead Expenses	\$_____
Indirect Costs (_____ % of Personnel Costs)	\$_____
<b>TOTAL COSTS</b>	<b>\$_____</b>

**Long Term Care Integration  
Pilot Project Planning  
Grant Budget**

**LOG'S REQUIRED 20% MATCH**

<b><u>Line Item</u></b>	<b><u>Total</u></b>
Personnel Costs	\$_____
Fringe Benefits (_____ % of Personnel Costs)	\$_____
Operating Expenses	\$_____
Equipment Expenses	\$_____
Contractor Procures	\$_____
State Procures	\$_____
Travel and Per Diem	\$_____
Subcontracts	
(Identify subcontractor if known)	\$_____
Other Costs	\$_____
Direct Overhead Expenses	\$_____
Indirect Costs (_____ % of Personnel Costs)	\$_____
<b>TOTAL COSTS</b>	\$_____

## CONTRACT UNIFORMITY

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of part 1 of Division 101 of the Health and Safety Code, the Department of Health Services sets forth the following policies, procedures, and guidelines regarding fringe benefits.

1. As used in this agreement with reference to State and/or federal funds, fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
2. As used herein, fringe benefits do not include:
  - a. Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty, and/or military leave/training.
  - b. Director's and executive committee member's fees
  - c. Incentive awards and/or bonus incentive pay
  - d. Allowance for off-site pay
  - e. Location allowances
  - f. Hardship pay
  - g. Cost-of-living differentials
3. Specific allowable fringe benefits include:
  - a. Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental, and vision), unemployment insurance, workers compensation insurance and the employer's portion of pension/retirement plans provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
4. To be allowable fringe benefit, the cost must meet the following criteria:
  - a. Be necessary and reasonable for the performance of the contract.
  - b. Be determined in accordance with generally accepted accounting principles.
  - c. Be consistent with policies that apply uniformly to all activities of the Contractor.
5. It is agreed by both parties that any and all fringe benefits shall be at actual cost.
6. Earned/accrued Compensation
  - a. Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the contract term. Unused vacation, sick leave, and holidays earned from periods prior to the contract period cannot be claimed as allowable costs (See example on page 2).
  - b. For multiple year contracts, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the contract. Holidays cannot be carried over from one contract year to the next (See example on page 2).
  - c. For single year contracts, vacation, sick leave, and holiday compensation which is earned/accrued but not paid, due to employee(s) not taking time off within the contract term, cannot be claimed as an allowable cost (see example on page 2).

**Contract Uniformity**  
Earned/Accrued Compensation Examples

Example No. 1:

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a contract period of one year. If John Does has five weeks of vacation and eighteen days of sick leave at the beginning of the State contract term, the Contractor during a one-year contract term may only claim up to three weeks of vacation and twelve days of sick leave actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the contract are not an allowable cost.

Example No. 2:

If during a three-year (multiple year) contract, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

Example No. 3:

If during a single year contract, John Doe, works fifty weeks and uses one week of vacation and one week of sick leave and all fifty-two of these weeks have been billed to the State, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

**Travel Reimbursement Information**  
**Effective November 1, 1999**

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract.
  - a. Reimbursement shall be at the rates established for nonrepresented/excluded state employees.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of special assignments.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on page 2 of this exhibit to determine the reimbursement allowance. All lodging must be receipted. If contractor does not present receipts, lodging will not be reimbursed.

(1) Lodging (with receipts):

<b>Travel Location / Area</b>	<b>REIMBURSEMENT RATE</b>
Statewide Non-High Cost Area	\$ 84.00 plus tax
High Cost Areas including the following counties: Alameda, San Francisco, San Mateo, Santa Clara and Central and Western Los Angeles (L.A.). Central and Western L.A. is the territory bordered by Sunset Blvd. On the north, the Pacific Ocean on the West, Imperial Blvd./Freeway 105 on the South and Freeways 110, 10, and 101 on the East.  Central and Western L.A. includes downtown L.A., Englewood, L.A. International Airport, Playa del Rey, Venice, Santa Monica, Brentwood, West L.A., Westwood Village, Culver City, Beverly Hills, Century City, West Hollywood and Hollywood.	\$110.00 plus tax

Reimbursement for actual lodging expenses exceeding the above amounts may be allowed with the advance written approval of the Deputy Director of the Department of Health Service or his or her designee. Receipts are required.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum.

<b>Meal / Expense</b>	<b>Reimbursement Rate</b>
Breakfast	\$ 6.00
Lunch	\$ 10.00
Dinner	\$ 18.00
Incidental	\$ 6.00

- d. Out-of-state travel may only be reimbursed if such travel has been stipulated in the contract and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors must have prior Departmental approval and a budgeted trip authority.
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on page 2 of this bulletin.

- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.
2. If any of the reimbursement rates stated herein are changed by the Department of Personnel Administration, no formal contract amendment will be required to incorporate the new rates. However, DHS shall inform the contractor, in writing, of the revised travel reimbursement rates.
  3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
  4. **Note on use of autos:** If a contractor uses his or her car for transportation, the rate of pay will be 31 cents maximum per mile. If the contractor is a person with a disability who must operate a motor vehicle on official state business and who can operate only specially equipped or modified vehicles may claim a rate of 31 cents per mile without certification and up to 37 cents per mile with certification. If a contractor uses his or her car "in lieu of" air fair, the air coach fair will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the state. Gasoline and routine automobile repair expenses are not reimbursable.
  5. The contractor is required to furnish details surrounding each period of travel. Travel detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc.
  6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

#### Travel Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Travel begins at 6:00 a.m. or earlier and continues until 9:00 a.m. or later.	Breakfast
Less than 24 hours	<ul style="list-style-type: none"> <li>Travel period ends at least one hour after the regularly scheduled workday ends, or</li> <li>Travel period begins prior to or at 5:00 p.m. and continues beyond 7:00 p.m.</li> </ul>	Dinner
24 hours	Travel period is a full 24-hour period determined by the time that the travel period begins and ends.	Breakfast, lunch, and dinner
Last fractional part of more than 24 hours	Travel period is more than 24 hours and traveler returns at or after 8:00 a.m.	Breakfast
	Travel period is more than 24 hours and traveler returns at or after 2:00 p.m.	Lunch
	Travel period is more than 24 hours and traveler returns at or after 7:00 p.m.	Dinner

## Attachments



## LTCI Planning Grant Application Coversheet

Applicant Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Back-Up Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Project Director's Name: \_\_\_\_\_

Geographic Area: \_\_\_\_\_

I hereby authorize the submission of this  
application for a LTCI Planning Grant.

Authorizing Signature: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Telephone/FAX Number: \_\_\_\_\_

e-mail address: \_\_\_\_\_

## Long Term Care Integration Pilot Project Planning Grant Application

### CHECKLIST

Section	Requirements
<input type="checkbox"/> Application Cover Sheet	<p>For both the contact person and back-up contact person:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Names of contact person(s)</li> <li><input type="checkbox"/> Mailing address</li> <li><input type="checkbox"/> E-mail address</li> <li><input type="checkbox"/> Telephone/FAX numbers</li> <li><input type="checkbox"/> Project Director's Name</li> <li><input type="checkbox"/> Description of the geographic area to be served</li> <li><input type="checkbox"/> Signature, title, address and telephone number of person authorized to submit the grant application</li> </ul>
<input type="checkbox"/> Table of Contents	
<input type="checkbox"/> Technical Proposal Section	<ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Summary</li> <li><input type="checkbox"/> Identification of the LOG</li> <li><input type="checkbox"/> Organizational chart of the LOG;</li> <li><input type="checkbox"/> Proof of non-profit status (if applicable);</li> <li><input type="checkbox"/> Letter of commitment/support from the BOS;</li> <li><input type="checkbox"/> Job description/duty statements for Project Director and Manager.</li> <li><input type="checkbox"/> Broad Vision Statement</li> <li><input type="checkbox"/> Current Status</li> <li><input type="checkbox"/> Consumer and Provider Involvement</li> <li><input type="checkbox"/> Overview of the Goals &amp; Objectives</li> <li><input type="checkbox"/> Grant Goals &amp; Objectives</li> <li><input type="checkbox"/> Scope of Work</li> <li><input type="checkbox"/> Gantt Chart</li> <li><input type="checkbox"/> Activities Completed in Prior Planning Grant Period(s)</li> </ul>
<input type="checkbox"/> Budget	<ul style="list-style-type: none"> <li><input type="checkbox"/> Budget Narrative</li> <li><input type="checkbox"/> 9-Line Item Budget</li> <li><input type="checkbox"/> Description Of Required 20% Match</li> </ul>

## Budget Justification and Instructions

The following table outlines each budget category with an explanation and additional requirements or information of each category and is followed by a sample budget. The sample budget shows the format in which costs associated with the program should be identified. Not all prospective grantees will use all line items. In some cases, additional line items may have to be added. If your organization's accounting system does not adhere to the line items listed on the attached sample line budget, you may present your budget using your organization's format. If you present an optional format, OLTC may work with you to structure your budget. **NOTE:** Line items entitled "miscellaneous" will not be funded.

Category	EXPLANATION	Additional Requirement/Information
Personnel	<ul style="list-style-type: none"> <li>Identify the total Personnel Costs to be expended for the project.</li> </ul>	
	<ul style="list-style-type: none"> <li>Sick leave, vacation, holidays, overtime, and shift differentials must be budgeted as salaries.</li> </ul>	<ul style="list-style-type: none"> <li>If personnel have accrued sick leave or vacation time prior to the approval of grant funding, they may not take the time off using project funds.</li> </ul>
Fringe Benefits	<ul style="list-style-type: none"> <li>Express the benefits as a percentage of the aggregate salaries.</li> <li>Employer contributions or expenses for social security, employee life and health insurance plans, unemployment insurance and/or pension plans are allowable budget items.</li> </ul>	<ul style="list-style-type: none"> <li>Benefits cannot exceed those already established by the applicant prior to the award of the grant.</li> </ul>
Total Personnel	Indicate the aggregate of the personnel and fringe benefit costs	

CATEGORY	Explanation	Additional Requirements/Information
Operating Expenses	<ul style="list-style-type: none"> <li>Allowable operating expenses are those expenditures exclusive to personnel services and benefits necessary for performance of the grant terms.</li> <li>The following categories of operating expenses may be identified:</li> </ul>	<ul style="list-style-type: none"> <li>Such expenses must be grant related and incurred during the term of the grant</li> </ul>
	<ul style="list-style-type: none"> <li>General Expenses</li> </ul>	<ul style="list-style-type: none"> <li>Includes all costs that are general to the operation of the project and that are not identified as equipment, travel, subcontract or other costs.</li> <li>Examples of such expenses are office supplies, equipment maintenance, telephone, postage, answering service fees and other consumable items.</li> <li>Furniture and office equipment with an acquisition cost of \$4,999 or less per unit (including tax, installation and freight) are general expense items.</li> </ul>
	<ul style="list-style-type: none"> <li>Space Rent/Lease</li> </ul>	<ul style="list-style-type: none"> <li>The costs of office rental or lease are identified, according to the total square feet, the cost per square foot, and the percent of time being used for long term care integration funded activities.</li> </ul>
	<ul style="list-style-type: none"> <li>Printing</li> </ul>	<ul style="list-style-type: none"> <li>Identify the costs of printing, duplication and reproduction of material used under the LTCI pilot program.</li> <li>If more than an incidental (10 percent) proportion of the grant amount is for printing, such printing must be approved by the Department.</li> </ul>
	<ul style="list-style-type: none"> <li>Equipment Rental</li> </ul>	<ul style="list-style-type: none"> <li>Rented or leased equipment must be budgeted as an operating expense.</li> <li>Lease/purchase options are not allowed.</li> </ul>

CATEGORY	Explanation	Additional Requirements/Information
Equipment Purchases	<ul style="list-style-type: none"> <li>Equipment is an item having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit (including tax, installation and freight).</li> <li>The rental of equipment used solely for project activities may be budgeted if it is essential to the implementation and project operation.</li> <li>Grant funds may not be used to reimburse the applicant for equipment already purchased.</li> </ul>	<ul style="list-style-type: none"> <li>All equipment purchased in whole or in part by State grant funds is the property of the State of California.</li> <li>Equipment may be transferred to the grantee at the end of the grant period.</li> <li>Satisfactory compliance with the Grant Award Agreement will be reviewed in considering the transfer of equipment.</li> <li>The maximum amount available for the equipment line item is \$15,000 unless the applicant provides sufficient justification.</li> <li>The Department prior to purchase must approve all equipment purchases.</li> </ul>
Travel and Per Diem	<ul style="list-style-type: none"> <li>Applicants must budget for all travel related to the administration of the project.</li> <li>Travel reimbursement is on a per trip basis.</li> <li>The mileage reimbursement is for all costs for operation of a vehicle.</li> </ul>	<ul style="list-style-type: none"> <li>The budget must identify the travel costs related to staff specific activities.</li> <li>For all travel costs and per diem rates, see the exhibit titled Short Term Travel Reimbursement Information.</li> </ul>
Subcontracts/Consultants	<ul style="list-style-type: none"> <li>Consulting services are those services provided to the applicants on a contractual basis by individuals or organizations that are not employees of the applicant.</li> <li>Collaborating agencies that subcontract with the Grantee must also comply with these requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Identify each specific consultant and the expertise they will contribute to the project.</li> </ul>
Other Costs	<ul style="list-style-type: none"> <li>Other costs are costs that are not operating costs, but are related to project operations and the provision of services. These should be identified under other costs.</li> </ul>	<ul style="list-style-type: none"> <li>Examples of such costs include training for project staff, purchase or preparation of educational materials, and costs related to the performance of any of the objectives unless otherwise approved.</li> </ul>
Indirect Costs	<ul style="list-style-type: none"> <li>Are a percentage of normal business operation costs that are incurred due to performance of this grant (e.g., payroll or accounting functions, etc.). Such costs are calculated as a percentage of total personnel costs less fringe benefits.</li> </ul>	<ul style="list-style-type: none"> <li>The maximum allowable indirect rate is 10 percent of the total personnel costs less fringe benefits.</li> </ul>
Total Operating Costs	Aggregate all the non-personnel costs	
Total Project Costs	Total personnel services, operating and indirect costs	

## Prohibited Expenses

Expense	Explanation
Bonuses/ Commissions	Pilot projects are prohibited from paying any bonus or commission to any individual, organization or firm.
Lobbying	Grant funds may not be used for lobbying activities.
Fund Raising	Grant funds may not be used for organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, or similar expenses incurred solely to raise capital or obtain contributions.
Purchase of Real Property	Acquisition of real property, including land, structures and their attachments are not allowable expenditures.
Interest	The cost of interest payment is not a allowable expenditure.
Lease-Purchase Options	Grant funds may not be used for a lease-purchase option for the acquisition of any equipment.
Grant Writing	Costs of responding to this RFA and preparing an application are not allowable expenditures.
Religious Doctrine/Beliefs	The costs of program services or education curricula that are religious or promotes religious doctrine are not allowable expenditures nor is payment to, or in aid of, a church, religious sect, creed, or sectarian purpose.
Meals	Meals are a prohibited expense unless they are due to travel.

INSTRUCTIONS FOR USING THE 9-LINE ITEM BUDGET
<ul style="list-style-type: none"> <li>• Include all nine (9) line items. Show total costs only, except where budget detail is required. Refer to the “Required Budget Detail” section for budget detail instructions</li> </ul>
<ul style="list-style-type: none"> <li>• Line items that are not funded may show any of the following in the “Total” column:               <ul style="list-style-type: none"> <li>• 0.00 or –0-</li> <li>• Not funded</li> <li>• 0.00* (with a footnote placed near the bottom of the budget page indicating “no reimbursement is allowed”).</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Indicate the percentage (%) rate used to calculate the costs shown in the “Fringe Benefit” and “Indirect Cost” line items and add a brief note stating how the cost was determined.</li> </ul>
<ul style="list-style-type: none"> <li>• Do not:               <ul style="list-style-type: none"> <li>• Change the order or names of any lien item;</li> <li>• Add additional line items;</li> <li>• Add or include budget detail, except where required;</li> <li>• Include any funds in the “Total” column, that will not be expended by or through the State;</li> <li>• Show matching funds (matching funds must be shown on a separate budget page).</li> </ul> </li> </ul>

### Nine (9) Line Item Budget

<u>Line Item</u>	<u>Total</u>
Personnel Costs	\$_____
Fringe Benefits (___% of Personnel Costs)	\$_____
Operating Expenses	\$_____
Equipment Expenses <sup>6</sup>	\$_____
(Contractor Procures) <sup>7</sup>	\$_____
(State Procures) <sup>2</sup>	\$_____
Travel and Per Diem	\$_____
Subcontracts <sup>1</sup>	\$_____
Other Costs <sup>1</sup>	\$_____
Direct Overhead Expenses	\$_____
Indirect Costs (___% of Personnel Costs)	\$_____
Total Costs	\$_____

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<sup>6</sup> See the "Required Budget Detail" section of this memo for specific instructions

<sup>7</sup> Only included this entry in contract with nonprofit organizations (excluding UC) and for-profit entities when the "Equipment Expenses" line item total is more than \$50,000 annually.



Required Budget Detail		
If the Annual Total for the following line items is more than \$50,000 then:		
“Other Costs”	A full budget detail must be shown in a budget addendum  (See Example)	<ul style="list-style-type: none"><li>Each expense must be listed and its estimated cost</li><li>The budget addendum must be clearly labeled as “Addendum to Exhibit ____” and contain the exhibit number and title of the budget page</li></ul>
“Subcontracts”	A full budget detail must be shown in a budget addendum  (See Example)	<ul style="list-style-type: none"><li>For known subcontractors, include the name of each subcontractor and a budget for each subcontractor</li><li>In each subcontractor’s budget, (See Example), <b><i>show total expenses and budget detail as indicated below</i></b> for each of the following items that are funded:  Personnel (including fringe benefits) Operating Expenses <b>Equipment Expenses<sup>8</sup></b> <b>Subcontractors<sup>1</sup></b> Travel Expenses <b>Other Expenses<sup>1</sup></b> Indirect Expenses (show % rate)  Total Expenses</li></ul>
		<ul style="list-style-type: none"><li>For subcontractors not yet identified, include a descriptive title for the service to be subcontracted and include an estimated cost for that service (See example)  Translation services (Subcontractor to be selected) \$_____</li></ul>
In contracts with a nonprofit organization (excluding UC) or a for-profit entity, when the annual total for the following line items is more than \$50,000 then:		
“Equipment Expenses”	A full budget detail must be shown in a budget addendum  (See Example)	<ul style="list-style-type: none"><li>List only the equipment that the State must purchase (i.e., those items in excess of the \$50,000 annual limit)</li><li>Do not list any equipment the contractor will purchase</li></ul>

<sup>8</sup> Full budget detail is only required if the line item total is more than \$50,000 annually. Do not include any of the above line items, unless they are applicable and do not add additional line items or detail that is not required.

# **Budget Addendum Example**

<b><u>Budget Line Item</u></b>	<b><u>Total</u></b>
<b>Equipment Expenses</b>	<b>\$60,000.00</b>
Lathe (state purchased)	\$60,000.00
<b>Subcontracts</b>	<b>\$100,000.00</b>
Translation services (subcontractor to be selected)	\$50,000.00
I'm A Subcontractor	\$50,000.00
Personnel (including Fringe Benefits)	\$20,000.00
Operating Expenses	\$15,000.00
Equipment Expenses	\$6,000.00
Subcontractors	\$0.00
Travel Expenses	\$5,000.00
Other Expenses	\$3,000.00
Indirect Expenses (10%)	\$2,000.00
<b>Other Costs</b>	<b>\$60,000.00</b>
Staff Training	\$20,000.00
Purchase of Educational Materials	\$25,000.00
Preparation of Education Materials	\$15,000.00
<b>Total Costs</b>	<b>\$220,000.00</b>

# California Long Term Care Integration Pilot Program

**Background** In 1995, California state legislation was enacted to authorize and implement the Long Term Care Integration (LTCI) Pilot Program. The statute directed the Department of Health Services (DHS) to select up to five pilot sites to participate in LTCI.

The program's goals are:

- ◆ Provide a continuum of medical, social and supportive services that fosters independence and self-reliance, maintains individual dignity, and allows consumers of publicly funded long term care (LTC) services to remain an integral part of their family and community life;
- ◆ Encourage as much consumer self-direction as possible, given individual capacity and interest, and involve them and their family members as partners in developing and implementing the pilot project; and
- ◆ Test a variety of models intended to serve different geographical areas, with differing populations and services available.

The legislation defined the pilot sites as single county, multi-county, or subcounty units. Participating sites would be required to identify a local entity (either a government or not-for-profit agency) that would administer this program through a contract with the State.

By integrating the delivery system for medical, social, and supportive services, consolidating the funding for these services, and adopting a capitated payment system, the pilot program seeks to empower counties to build a system out of the currently fragmented public services available, to overcome the built-in cost shifting incentives in the current payment structures, and to provide services in the most appropriate setting and most cost effective manner.

**What Makes This Pilot Unique** - California is certainly not alone in undertaking this type of effort to integrate the delivery of its medical, social and supportive services to Medicaid (Medi-Cal in California) recipients. Arizona, Minnesota, Wisconsin, and Colorado are among the states that already have or are in the process of implementing such programs. What sets California apart is that their process, as specified in the authorizing legislation, is based on a "grassroots up" approach.

Interested counties, rather than state government, are responsible for designing their proposed system of care, taking into account the unique constellation of local resources and infrastructure, consumer characteristics and geographic considerations. The impetus for California's program has also been focused on improving the current LTC system rather than cost savings, although the pilots are required to be budget neutral.

## State and County Implementation Roles

Given the "grassroots up" approach of this California program, the relationship between the state and counties in implementing this program must be a partnership. Interested counties must develop a proposal detailing the program's governance structure, service package and delivery system, risk sharing arrangements with subcontractors, data reporting, and quality assurance mechanisms. Counties are required to demonstrate that the proposal is a collaboration that includes the local health and social services agencies and consumer input. If selected to participate, counties will be required to submit a detailed administrative action plan laying out their implementation steps and timelines.

The state's role is multifaceted. It includes group and individualized technical assistance to the counties as they are working through

developmental issues. It involves substantial work at the state level to facilitate a simplified assessment/intake process and reporting system, make needed departmental and state budget changes to create consolidated funding pools for the participating sites, resolve a variety of facility and health plan licensure issues that are likely to occur, and to develop site monitoring requirements. The state will also assist participating counties in identifying needed federal waiver or state plan amendments and in developing those waiver/state plan changes.

**Revised Implementation Strategy** In November 1996, during the first Request for Application process, San Bernardino and Tulare Counties submitted applications to participate in the LTCIPP and both counties were selected to move on to the next step, developing a detailed local administrative plan to be approved both by their County Board of Supervisors and the DHS.

During that initial year, it became clear that the sheer number of major implementation tasks involved in bringing a LTCIPP site on-line and the counties' historical lack of data and expertise in managing the care of this population (since this previously was a state responsibility) made foreseeable implementation steps seem difficult to accomplish.

In response to this dilemma, in November 1997, DHS announced a revised LTCIPP implementation strategy. Although counties will still be required to develop an overall proposal that would lead to full integration of medical, social and supportive services, they were encouraged

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to phase-in the implementation in manageable steps. This approach will permit the counties to gain experience incrementally in managing LTC services and this strategy seemed more feasible given the staffing, administration, and the systems changes involved.

Under this new implementation strategy, DHS will work with each participating county to secure the federal waiver/state plan changes required at each particular implementation step. This process will be repeated until full integration is achieved. DHS also removed the application deadline (it is now open-ended) and will work with all counties seeking to achieve full integration of medical, social and supportive services (not just five sites). These announced changes have been enthusiastically received.

The 1998 State Budget included a \$1.15 appropriation for grants to local groups seeking to implement LTCI pilots and funding to establish a Center for LTCI. In 1999, DHS awarded \$50,000 grants to 13 counties for planning activities. In the 2000 grant cycle, planning grants were awarded to 16 local organizing groups.

DHS, has also initiated state-level workgroups to address inter-departmental implementation issues and continues to provide technical assistance to participating and interested counties.

*For more information contact:*

Department of Health Services  
Office of Long Term Care  
LTC Integration Pilot Program  
(916) 322-4475

[www.dhs.ca.gov/director/oltc](http://www.dhs.ca.gov/director/oltc)

CALIFORNIA CODES  
WELFARE AND INSTITUTIONS CODE  
SECTION 14139.05-14139.62

14139.05. The Legislature finds and declares that:

(a) Long-term care services in California include an uncoordinated array of categorical programs offering medical, social, and other support services that are funded and administered by a variety of federal, state, and local agencies and are replete with gaps, duplication, and little or no emphasis on the specific concerns of individual consumers.

(b) Although the need for a coordinated continuum of long-term care services has long been apparent, numerous obstacles prevent its development, including inflexible and inconsistent funding sources, economic incentives that encourage the placement of consumers in the highest levels of care, lack of coordination between aging, health, and social service agencies at both state and local levels, and inflexible state and federal regulations.

(c) The office of the Legislative Analyst and others have pointed out that California's systems of service delivery in a number of areas are dysfunctional, due to the fragmentation of responsibility and funding for interrelated services. Principles proposed by the Legislative Analyst to guide the restructuring of these systems include recognizing program linkages, coordinating service delivery mechanisms, removing barriers to innovation, and instilling financial incentives to promote prevention and coordination.

(d) It is both more efficient and more humane to restructure long-term care services so that duplicative and confusing eligibility criteria, assessments, intake forms, and service limitations will not inhibit consumer satisfaction, impede improvements in consumer health status, and result in the ineffective use of resources.

(e) There is a growing interest in community-directed systems of funding and organizing the broad array of health, support, and community living services needed by persons of all ages with disabilities.

(f) It is in the interest of those in need of long-term care services, and the state as a whole, to develop a long-term care system that provides dignity and maximum independence for the consumer, creates home and community based alternatives to unnecessary out-of-home placement, and is cost effective.

14139.1. (a) It is the intent of the Legislature to establish the Long-Term Care Integration Pilot Program that will integrate the financing and administration of long-term care services in up to five pilot project sites in the state. Contingent upon a state approved administrative action plan, at least one site shall be in a rural or underserved part of the state.

(b) It is further the intent of the Legislature to support, in each pilot project site, the development of a model integrated service delivery system that meets the needs of all beneficiaries, both those who live in their own homes and those who are in out-of-home placements, in a humane, appropriate, and cost-effective manner.

14139.11. The goals of this pilot program shall be to:

(a) Provide a continuum of social and health services that foster independence and self-reliance, maintain individual dignity, and allow consumers of long-term care services to remain an integral part of their family and community life.

(b) If out-of-home placement is necessary, to ensure that it is at the appropriate level of care, and to prevent unnecessary utilization of acute care hospitals.

(c) If family caregivers are involved in the long-term care of an individual, to support caregiving arrangements that maximize the family's ongoing relationship with, and care for, that individual.

(d) Deliver long-term care services in the least restrictive environment appropriate for the consumer.

(e) Encourage as much self direction as possible by consumers, given their capability and interest, and involve them and their family members as partners in the development and implementation of the pilot project.

(f) Identify performance outcomes that will be used to evaluate the appropriateness and quality of the services provided, as well as the efficacy and cost effectiveness of each pilot project, including, but not limited to, the use of acute and out-of-home care, consumer satisfaction, the health status of consumers, and the degree of independent living maintained among those served.

(g) Test a variety of models intended to serve different geographic areas, with differing populations and service availability.

(h) Achieve greater efficiencies through consolidated screening and reporting requirements.

(i) Allow each pilot project site to use existing funding sources in a manner that it determines will meet local need and that is cost-effective.

(j) Allow the pilot project sites to determine other services that may be necessary to meet the needs of eligible beneficiaries.

(k) Identify ways to expand funding options for the pilot program to include medicare and other funding sources.

14139.12. It is the intent of the Legislature that the costs of this pilot program to the General Fund will not exceed the direct and indirect costs that existing programs would expect to incur had the integrated services not been provided through this pilot program. If the Department of Finance determines, and informs the director in writing, that the implementation of this pilot program will result in any additional costs to the state relative to the provision of long-term care services to eligible beneficiaries, the department may terminate the operation of all or any part of this pilot program. The state shall not be held liable for any additional costs incurred by a pilot project site. Any such determination made by the Department of Finance shall be available to any party upon request.

14139.13. (a) Any contract entered into pursuant to this article may be renewed if the long-term care services agency continues to meet the requirements of this article and the contract. Failure to meet these requirements shall be cause for nonrenewal of the contract. The department may condition renewal on timely completion of a mutually agreed upon plan of corrections of any deficiencies.

(b) The department may terminate or decline to renew a contract in whole or in part when the director determines that the action is necessary to protect the health of the beneficiaries or the funds appropriated to the Medi-Cal program. The administrative hearing requirements of Section 14123 do not apply to the nonrenewal or termination of a contract under this article.

(c) In order to achieve maximum cost savings the Legislature hereby determines that an expedited contract process for contracts under this article is necessary. Therefore, contracts under this article shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(d) The Director of the Department of Managed Health Care shall, at the director's request, immediately grant an exemption from Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code for purposes of carrying out any contract entered into pursuant to this article.

14139.2. The department shall serve as the lead agency for the administration of this chapter. The department's responsibilities shall include, but are not limited to:

- (a) Development of criteria for the selection of pilot project sites.
- (b) Selection of the pilot project sites to participate in the pilot program.
- (c) Providing, or arranging for, technical assistance to participating sites.
- (d) Development of specific performance outcome measures by which the program can be evaluated.
- (e) Development of standards for complying with reporting requirements specified in state law for the programs integrated within the pilot program implemented pursuant to this article. The standards developed pursuant to this subdivision shall apply in lieu of any existing reporting obligations for the programs. The existing individual reporting requirements for programs integrated within the pilot program shall be deemed to have been met through the reports required by this section. Existing requirements for reports to the Office of Statewide Health Planning and Development shall not be eliminated.
- (f) Seeking all federal waivers necessary for full implementation of the pilot program.
- (g) Setting a payment rate consistent with Section 14139.5.
- (h) Approval or disapproval of administrative action plans.

14139.21. The department may accept funding from federal agencies, foundations or other nongovernmental sources and may contract with qualified consultants to assist with the provision of technical assistance, the development of data collection, reporting, and analysis systems, or any other purposes that further the goals of this demonstration program. The department shall not accept funds from any entity that stands to gain financially from implementation of the pilot program. In contracting with consultants to assist with the pilot program, the department shall specify timelines and delivery dates so as to ensure the continued implementation of the pilot program.

14139.22. (a) The department shall convene a working group that shall include the Director of Health Services, the Director of Social Services, and the Director of Aging, or the program staff from each of those departments who have direct responsibility for the programs listed in subdivision (b) of Section 14139.32, and may include the Director of Mental Health and the Director of Rehabilitation, or program staff from those departments with direct responsibilities for programs that may be included as a service in any pilot project site, and representatives from each pilot project site upon its selection.

(b) The department shall consult with the working group during the designing of the pilot program, in the selection of the pilot project sites, and in the monitoring of the program under this article, and shall utilize the working group as a resource for problem-solving and a means of maintaining interdepartmental and intersite communication.

(c) The working group shall strive to ensure that the pilot program under this article makes maximum use of home-based and community-based services, and throughout the continuum of care for each beneficiary, encourages the use of the least restrictive environment in which the beneficiary can receive appropriate care.

14139.23. Upon the implementation of the pilot program, responsibility for administering the programs integrated within the pilot program shall be transferred to the department, and shall be specified in an interagency agreement between participating departments. Prior requirements for any program integrated within this pilot program shall be deemed to have been met through compliance with the requirements established by this article, by the department for the pilot program by each county's approved plan, and by the approved applicable federal waivers.

14139.24. The department shall seek all federal waivers necessary to allow for federal financial participation in the pilot program implemented pursuant to this article. This article shall not be implemented unless and until the director has executed a declaration that the approval of all necessary federal waivers has been obtained by the department.

14139.25. Notwithstanding any other provision of this article, costs to the General Fund shall not exceed the amount that would have been expended in the absence of the pilot program.

14139.3. (a) Pilot project sites may be comprised of a single county, a multicounty unit, or a subcounty unit.

(b) Each selected site shall do all of the following:

(1) Establish a consolidated long-term care services fund that shall accommodate state and federal fiscal and auditing requirements, shall be used solely for the purposes described in this article, and shall not be used for any county pooled investment fund.

(2) Identify a local entity, that may be either a governmental entity or a not-for-profit private agency, to administer the fund. The local entity may be one that already exists, or may be established for the express purpose of administering the fund. This agency shall be designated as the long-term care services agency and shall contract with the department to carry out this article.

(3) Develop and provide to the department an administrative action plan that shall include, but is not limited to:

(A) A complete description of the covered scope of services and programs to be integrated.

(B) A complete description of the proposed long-term care delivery system and how it will improve system efficiency and enhance service quality.

(C) Demonstration of a willingness and commitment by the long-term care services agency to work with local community groups, providers, and consumers to obtain their input.

(D) Proposed measurable performance outcomes that the pilot program is designed to achieve.

(E) A description of the expected impact on current program services to Medi-Cal eligible beneficiaries and consumers of non-Medi-Cal services included in the integrated system.

(F) Assurance of minimal disruption to current recipients of long-term care services during the phase-in of the pilot project.

(G) Reasonable assurance that services provided will be responsive to the religious, cultural, and language needs of beneficiaries.



(H) Assurances that providers who serve the needs of special populations such as religious and cultural groups or residents of multilevel facilities as defined in paragraph (9) of subdivision (d) of Section 15432 of the Government Code and community care retirement communities as defined in subdivision (u) of Section 1771 of the Health and Safety Code, will be able to continue to serve those persons when willing to contract under the same terms and conditions as similar providers.

(I) Specific alternative concepts, requirements, staffing patterns, or methods for providing services under the pilot project.

(J) A process to assure that Medi-Cal dollars are appropriately expended in accordance with federal requirements.

(K) A description of how the pilot project site will maintain adequate fiscal control and ensure quality of care for beneficiaries.

(L) A description of how the pilot project site will coordinate, relate to, or integrate with Medi-Cal managed care plans, local managed care plans, and other organizations which provide services not part of the pilot project.

(M) A proposed timeline for planning and startup of the pilot project.

(N) An estimate of costs and savings.

(O) Demonstration of the financial viability of the plan.

(c) The administrative action plan shall reflect a planning process that includes long-term care consumers, their families, and organizations that represent them, organizations that provide long-term care services, and representatives of employees who deliver direct long-term care services. The planning process may include, but is not limited to, the members of the local advisory committee required pursuant to Section 14139.31.

(d) The administrative action plan shall receive the approval of the county board of supervisors before it is submitted to the department for final state approval. The board of supervisors shall present evidence of the commitment to the administrative action plan of all publicly funded agencies that currently serve consumers who will be eligible under the pilot project, and all publicly and nonpublicly funded agencies that will be responsible for providing services under the pilot project. This evidence may include resolutions adopted by agency governing bodies, memoranda of understanding, or other agreements pertinent to the implementation of the plan.

14139.31. In order to be selected, a pilot project site shall demonstrate that it has an active advisory committee that includes consumers of long-term care services, representatives of local organizations of persons with disabilities, seniors, representatives of local senior organizations, representatives of employees who deliver direct long-term care services, and representatives of organizations that provide long-term care services. At least one-half of the members of the advisory committee must be consumers of services provided under this chapter or their representatives.

14139.32. (a) The administrative action plan shall identify the funds to be transferred into the consolidated long-term care services fund.

(b) The funds shall include Medi-Cal long-term institutional care, the Medi-Cal Personal Care Services Program, and the In-Home Supportive Services Program and may include funds from the following programs and services:

- (1) Multipurpose Seniors Services Program.
- (2) Alzheimer's Day Care Resources Centers Program.
- (3) Linkages Program.
- (4) Respite Program.
- (5) Adult Day Health Care Program.

- (6) Medi-Cal home health agency services.
- (7) Medi-Cal home-based and community-based waiver programs.
- (8) Medi-Cal hospice services.
- (9) Medi-Cal acute care hospital services.
- (10) Other Medi-Cal services, including, but not limited to, primary, ancillary, and acute care.

(c) Optional program funds enumerated in subdivision (b) of Section 14139.32 shall be included in the long-term care services fund in any case where a program was funded prior to its integration into the pilot project.

(d) In determining which project sites to select for participation in the pilot program, the department shall give preference to those sites that include funds from the largest number of programs existing within the project site at the time the site applies for selection, provided the administrative action plan meets all other selection criteria. With the exception of up to one rural county, preference shall be given to project sites that include primary, ancillary, and acute care in the consolidated fund, provided their administrative action plan meets all other selection criteria.

14139.33. The administrative action plan shall delineate the services to be provided to all eligible beneficiaries. At a minimum, services to be provided shall include all of the following:

(a) Care or case management, including assessment, development of a service plan in conjunction with the consumer and other appropriate parties, authorization and arrangement for purchase of services or linkages with other appropriate entities, service coordination activities, and followup to determine whether the services received were appropriate and consistent with the service plan. Service coordination activities shall ensure that the records of each beneficiary are maintained in a consistent and complete manner and are accessible to the beneficiary or his or her family, and providers involved in his or her care. This shall be the case whether a beneficiary resides in his or her own home or in a licensed facility.

(b) Education of beneficiaries, their families, and others in their informal support network, including independent living skills training to maximize the independence of the beneficiary.

(c) In-home services.

(d) Adult day services.

(e) Institutional long-term care.

(f) Hospice services.

(g) Linkages to acute care services and primary care services, if they are not included in the integrated plan.

14139.34. The administrative action plan may also include any of the following services:

(a) Transportation.

(b) Home modification.

(c) Medical services, including, but not limited to, primary, ancillary, and acute care.

(d) Housing and residential services.

(e) Other services determined by the pilot project to be necessary to meet the needs of eligible beneficiaries.

14139.35. The department may exempt a pilot project site from the requirements of subdivisions (d) and (f) of Section 14139.33 if both the following conditions are met:

- (a) State funds were not being used in the geographic area covered by the pilot projects to provide those services at the time of application to the pilot program.
- (b) The pilot project site can demonstrate to the department how it plans to develop these services, and within what timeframe, during the pilot program.

14139.36. (a) If primary, ancillary, and acute care are not included among the services offered by a pilot project site, the administrative action plan shall include all of the following:

- (1) A mechanism for tracking the usage of these services by beneficiaries of the plan.

- (2) Provisions for the future inclusion of those services in the integrated plan, including the process and timeline by which they will be integrated.

(b) The department shall, in consultation with the pilot project sites, apply to the federal health care financing administration for a waiver that allows the pilot projects to include medicare funds in the long-term care services fund. Upon receipt of the waiver, within a time period to be designated by the department specific to each site, each pilot project site shall assume responsibility for primary, ancillary, and acute care services.

14139.37. The administrative action plan shall delineate specifically how the pooled funds will be used to deliver services to all eligible recipients in the geographic area covered by the pilot project site.

14139.38. Participating counties shall continue their financial maintenance of effort for each of the programs integrated within the pilot program under this article. The amount of a county's maintenance of effort shall be the same as if the program were not integrated within the pilot program pursuant to this article, and funds equal to this amount shall be deposited in the local consolidated long-term care services fund.

14139.4. (a) The long-term care services agency shall be responsible and at risk for implementing the administrative action plan. The long-term care services agency shall do all of the following:

- (1) Respond, or provide for response to, consumer needs on a 24-hour, seven-day-a-week basis.

- (2) Conduct comprehensive assessments.

- (3) Determine eligibility for long-term care services based on the assessment information.

- (4) Provide for contractual arrangements for the provision of, and payment for, sufficient services to meet the long-term care needs of the eligible beneficiary in his or her home, community, residential facility, nursing facility, or other location based on the mix of programs or services included in the administrative action plan.

- (5) Provide linkages to acute care hospitals.

- (6) Maintain control over utilization of services that are authorized.

- (7) Monitor the quality of care provided to consumers.

- (8) Maintain a consumer grievance process.

- (9) Manage the overall cost-effectiveness of the pilot project for its duration.

(b) Services may be provided through contracts with community-based providers. In instances where a specific service does not exist in the community, the long-term care services agency may facilitate the development of local programs that provide these services or may provide the services directly, if doing so can be demonstrated to be cost effective.

14139.41. (a) For purposes of this chapter, "eligible beneficiaries" shall be defined as persons meeting all the following criteria:

- (1) Are Medi-Cal eligible.
- (2) Are functionally or cognitively impaired. For purposes of this paragraph "cognitively impaired" means having an impairment caused by organic brain disorder or disease.
- (3) Are adults.
- (4) Need assistance with two or more activities of daily living or are unable to remain living independently without the long-term care services provided through the pilot program operated pursuant to this article.

(b) To the extent eligible beneficiaries also receive services from a regional center that serves a pilot project site, the pilot project shall delineate in its administrative action plan how services will be coordinated by the two agencies.

14139.42. (a) Each pilot project site shall serve all eligible beneficiaries who live in the geographic area served by the long-term care services agency. In order to eliminate duplicative administrative costs and to achieve a more efficient delivery system, pilot project sites shall also serve non-Medi-Cal eligible individuals who, but for the implementation of the pilot project, would have received services from programs whose funds are included in the consolidated long-term care services fund.

(b) Funding sources allocated for persons who are not eligible for Medi-Cal benefits may be integrated into the consolidated long-term care services fund. To the extent those funds are spent on services for persons who are not eligible for Medi-Cal benefits, they shall be segregated from capitated funds for Medi-Cal beneficiaries. No funds derived from the capitated Medi-Cal rate may be used for persons who are not eligible for Medi-Cal.

14139.43. This article shall not preclude a long-term care services agency from entering into additional agreements, separate from the pilot project, to serve additional individuals or populations.

14139.44. Pilot project sites shall ensure provider reimbursement rates that are adequate to maintain compliance with applicable federal and state requirements.

14139.5. The department shall set a capitated rate of payment that is actuarially sound and that is based on the number of beneficiaries who are eligible for Medi-Cal benefits to be enrolled in the pilot project, the mix of provided services and programs being integrated, and past Medi-Cal expenditures for services. The rate shall reflect, and the contract shall delineate, the rate at which the local long-term care services agency shall assume the total risk and the mechanisms that shall be used, which may include, but are not limited to, risk corridors, reinsurance, or alternative methods of risk assumption.

14139.51. If the department determines that a program or programs cannot reasonably be capitated, funds may be transferred separately from the capitation payment. The amount of those noncapitated funds shall be based on amounts that would have been expended by the state for those programs in the absence of the pilot program implemented under this article.

It is the intent of the Legislature that, if any local pilot project experiences net savings, those savings shall be used for project expansion and improvement, or to build the required tangible net equity, or if there is no need for expansion or improvement or to build tangible net equity, may be shared by the long-term care services agency and the state.

14139.53. (a) The department shall develop criteria to ensure that pilot project sites maintain fiscal solvency, including, but not limited to, the following:

- (1) The capability to achieve and maintain sufficient fiscal tangible net equity within a timeframe to be specified by the department for each pilot project site.
- (2) The capability to maintain prompt and timely provider payments.
- (3) A management information system that is approved by the department and is capable of meeting the requirements of the pilot program.

(b) Any pilot project established under this article shall immediately notify the department in writing of any fact or facts that are likely to result in the pilot project or the long-term care services agency being unable to meet its financial obligations. The written notice shall describe the fact or facts, the anticipated financial consequences, and the actions that will be taken to address the anticipated consequences, and shall be made available upon request unless otherwise prohibited by law.

14139.6. (a) It is the intent of the Legislature that local entities that are potential participants in this pilot program shall be assured of sufficient time to plan their pilot projects, and that the selected pilot project sites shall be assured of sufficient time to phase in the implementation of their programs. To that end, it is the intent of the Legislature that the department, in consultation with potential pilot project sites and the pilot program working group, shall develop a realistic timeline with guidelines for the planning and implementation of pilot projects.

(b) Nothing in this chapter shall prohibit the department, in consultation with the pilot program working group, from establishing a two-stage selection process in which local pilot project sites may be selected on a preliminary basis. Final selection of local pilot project sites shall be based on the completion of an administrative action plan that the department determines satisfactorily meets the selection criteria.

14139.61. The department may adopt emergency regulations as necessary to implement this article in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of emergency regulations shall be deemed to be an emergency and considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, or general welfare. Emergency regulations adopted pursuant to this section shall remain in effect for no more than 180 days.

14139.62. Contingent on the availability of funding, the department shall evaluate the effectiveness of each pilot project on a schedule that coincides with federal waiver reporting requirements, and shall make this information available upon request. The department's evaluation shall include, but not be limited to, the following:

(a) Whether or not the pilot project has reduced the fragmentation and improved the coordination of the long-term care delivery system in the pilot project area.

(b) Whether or not the long-term care delivery system is more efficient and makes better use of available resources.

(c) Whether or not the goals identified in Section 14139.11 have been met.

14145.1 (a) The department may administer grants for purposes of this article, that shall be awarded through a request for application process.

(1) Grants may be awarded to local organizing groups (LOGs) that are existing or new community-based nonprofit organizations or government entities for purposes of implementing long-term care integration pilot projects, pursuant to Article 4.05 (commencing with Section 14139.05).

(2) Grants may be available for LOGs in the planning phase, or the development phase of the project, or both. Planning phase grants shall be limited to a maximum award of fifty thousand dollars (\$50,000). Development phase grants shall be limited to a maximum award of one hundred fifty thousand dollars (150,000). The planning phase includes activities related to initial planning for long-term care integration pilot project (LTCIPP). The development phase includes activities for implementing the planning phase, up to actual implementation of the pilot project.

(b) Criteria for grant selection shall include, but not be limited to, the following:

(1) For planning phase grants:

- (A) Identification of a LOG committed to development of a LTCIPP that includes major stakeholders, including, but not limited to, consumers, community-based providers, institutional providers, and public entities.
- (B) Evidence of local government support for development of a LTCIPP.
- (C) A description of current and planned consumer involvement.
- (D) A plan for the use of funds.
- (E) Specification of goals and objectives, and a work plan for achieving them.
- (F) A proposed strategy for project evaluation.

(2) For development phase grants:

- (A) Identification of the authorized grantee sanctioned by the local government entity.
- (B) Identification of an entity of operation of the LTCIPP.
- (C) Definition of governance structure.
- (D) An adopted work plan that includes all of the following:

- (i) A vision statement describing the long-term care system for the community.
  - (ii) Description of the covered scope of services and programs to be integrated at the local level.
  - (iii) Description of the target population
  - (iv) Plan for integration of funding for those services.
  - (E) Specific work goals for the development phase.
  - (F) A work schedule for completion.
  - (G) A proposed strategy for project evaluation.
- (3) Both planning phase and development phase grant funds may be used for, but are not limited to, the following purposes:
- (A) Staff support.
  - (B) Consulting contracts.
  - (C) Community organizing support.
  - (D) Data analysis.
- (c) Grantees shall be required to match a portion of the grant awarded either with cash, or in-kind contributions totaling 20 percent of the total grant. The match required by this subdivision shall be supplemental to the funds appropriated for the LTCIPP.
- (d) On or before March 1, 1999, the department shall provide the Legislature with a status update on the progress of the grant program process, including grant awards and any administrative concerns.